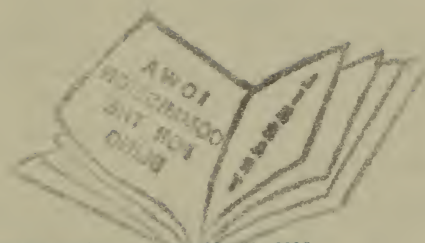


Your social security



Retirement, Survivors, and Disability Insurance
Medicare



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THE BASIC IDEA

The basic idea of social security is a simple one: During working years employees, their employers, and self-employed people pay social security contributions which are pooled in special trust funds. When earnings stop or are reduced because the worker retires, dies, or becomes disabled, monthly cash benefits are paid to replace part of the earnings the family has lost.

Part of the contributions made go into a separate hospital insurance trust fund so that when workers and their dependents reach 65 they will have help in paying their hospital bills. Voluntary medical insurance, also available to people 65 or over, helps pay doctors' bills and other medical expenses. This program is financed out of premiums shared half-and-half by the older people who sign up and by the Federal Government.

Nine out of ten working people in the United States are now building protection for themselves and their families under the social security program.

YOUR SOCIAL SECURITY

Monthly Cash Benefits

To get monthly cash payments for yourself and your family, or for your survivors to get payments in case of your death, you must first have credit for a certain amount of work under social security. This credit may have been earned at any time after 1936.

Most employees get credit for $\frac{1}{4}$ year of work if they are paid \$50 or more in covered wages in a 3-month calendar quarter. Four quarters are counted for any full year in which a person has \$400 or more in self-employment income. A worker who receives farm wages gets credit for $\frac{1}{4}$

year of work for each \$100 of covered wages he has in a year up to \$400.

You can be either fully or currently insured, depending on the total amount of credit you have for work under social security and the amount you have in the last 3 years. The table on page 18 shows which kinds of cash benefits may be paid if you are fully insured and which kinds may be paid if you are currently insured.

If you stop working under social security before you have earned enough credit to be insured, no cash benefits will be payable to you. The

earnings already credited to you will remain on your social security record; if you later return to covered work, regardless of your age, all your covered earnings will be considered.

Fully Insured

Just how much credit you must have to be fully insured depends upon the year you reach 65 if you are a man, or 62 if you are a woman, or upon the date of your death or disability.

The amount of credit you will need is measured in quarter-year units of work called quarters of coverage; but for convenience, the table on this page is given in years. The people in your social security office will be glad to give you further details if you have questions.

You are fully insured if you have credit for at least as many years as shown on the appropriate line of the following chart.

*If you reach
65 (62 if a
woman) or
die or
become
disabled*

*You will be
fully
insured if
you have
credit for
this much
work*

In 1965	-----	3½ years
1967	-----	4
1969	-----	4½
1971	-----	5
1975	-----	6
1979	-----	7
1983	-----	8
1987	-----	9
1991 or later	-----	10

If you become disabled or die before reaching 65 (62 for a woman), you are fully insured if you have

credit for $\frac{1}{4}$ year of work for each year after 1950 and up to the year of your disability or death. In counting the number of years after 1950, omit years before you were 22.

No one is fully insured with credit for less than $1\frac{1}{2}$ years of work and no one needs more than 10 years of work to be fully insured. Having a fully insured status, however, means only that certain kinds of cash benefits may be payable—it does not determine the amount. The amount will depend on your average earnings.

Currently Insured

You will be currently insured if you have social security credit for at least $1\frac{1}{2}$ years of work within the 3 years before you die or become entitled to retirement benefits.

AMOUNTS OF MONTHLY PAYMENTS

The amount of your monthly retirement or disability benefit is based on your average earnings under social security over a period of years. The amount of the monthly payments to your dependents or to your survivors in case of your death also depends on the amount of your average earnings.

The exact amount of your benefit cannot be figured until there is an application for benefits. This is because all of your earnings up to the time of the application may be considered in figuring your benefit. The Social Security Administration will, of course, figure your exact benefit at that time.

You can estimate the amount of the worker's benefit, however, by following the steps given on the next page.

1. Count the number of years to be used in figuring your average earnings as follows:

- If you were born before 1930, start with 1956;
- If you were born after 1929, start with the year you reached 27.

Count your starting year and each year up until (but not including):

- The year you reach 65, if you are a man;
- The year you reach 62, if you are a woman;
- The year the worker becomes disabled or dies, for disability or death benefits.

(Note: At least 5 years of earnings must be used to figure retire-

ment benefits and at least 2 years to figure disability or survivor benefits.)

2. List the amount of the worker's earnings for all years beginning with 1951. (Include earnings in the year of death or the year disability began.) Do not count *more than* \$3,600 for each year 1951 through 1954; \$4,200 for each year 1955 through 1958; \$4,800 for each year 1959 through 1965; \$6,600 for 1966 and 1967; \$7,800 for 1968 through 1971; \$9,000 for 1972; \$10,800 for 1973; and \$12,000 in 1974.

3. Cross off your list the years of lowest earnings until the number remaining is the same as your answer to step 1. (It may be neces-

sary to leave years in which you had no earnings on your list.)

4. Add up the earnings for the years left on your list, and divide by the number of years you used (your answer to step 1).

The result is your average yearly earnings covered by social security over this period.

Look in the table on page 12 and estimate your benefit from the examples given there.

Increasing Payments by Additional Work

If you work after you start getting benefits and your added earnings will result in higher benefits, your benefit will be automatically refigured after the additional earnings are credited to your record.

Special Payments

Special payments of \$58 a month (\$87 for a couple) can be made under the social security program to certain people 72 and over who are not eligible for social security benefits. These payments are intended to assure some regular income for older people who had little or no opportunity to earn social security protection during their working years.

People who reached 72 in 1968 or later need credit for some work under social security to be eligible for special payments. Those who reached 72 in 1968 need credit for $\frac{3}{4}$ year of work under social security. The amount of work credit needed increases gradually each year for people reaching 72 after 1968, until it is the same as that re-

EXAMPLES OF MONTHLY CASH PAYMENTS

Average yearly earnings after 1950*	\$923 or less	\$1,800	\$3,000	\$4,200	\$5,400	\$6,600	\$7,800	\$9,000
Retired Worker 65 or older Disabled Worker under 65	\$ 84.50	\$134.30	\$174.80	\$213.30	\$250.60	\$288.40	\$331.00	\$354.50
Wife 65 or older	42.30	67.20	87.40	106.70	125.30	144.20	165.50	177.30
Retired worker at 62	67.60	107.50	139.90	170.70	200.50	230.80	264.80	283.60
Wife at 62, no child	31.80	50.40	65.60	80.10	94.00	108.20	124.20	133.00
Widow at 60	73.30	96.10	125.10	152.60	179.30	206.30	236.70	253.50
Widow or widower at 62	84.50	110.80	144.30	176.00	206.80	238.00	273.10	292.50
Disabled widow at 50	51.30	67.30	87.50	106.80	125.50	144.30	165.60	177.30
Wife under 65 and one child	42.30	67.20	92.50	157.40	217.30	233.90	248.30	265.90
Widowed mother and one child	126.80	201.50	262.20	320.00	376.60	432.60	496.60	531.80
Widowed mother and two children	126.80	201.50	267.30	370.70	467.90	522.30	579.30	620.40
One child of retired or disabled worker	42.30	67.20	87.40	106.70	125.30	144.20	165.50	177.30
One surviving child	84.50	100.80	131.10	160.00	188.00	216.30	248.30	265.90
Maximum family payment	126.80	201.50	267.30	370.70	467.90	522.30	579.30	620.40

* Generally, average earnings are figured over the period from 1951 until the worker reaches retirement age, becomes disabled, or dies. Up to 5 years of low earnings or no earnings can be excluded. The maximum earnings creditable for social security are \$3,600 for 1951-1954; \$4,200 for 1955-1958; \$4,800 for 1959-1965; \$6,600 for 1966-1967; and \$7,800 for 1968-1971. The maximum creditable for 1972 is \$9,000.

The maximum creditable for 1973 will be \$10,800, and beginning in 1974, it will be \$12,000. However, average earnings cannot reach these amounts until later. Because of this, the benefits shown in the last column on the right generally will not be payable until later. When a person is entitled to more than one benefit, the amount actually payable is limited to the larger of the benefits.

quired for retirement benefits. (This is 1972 for men and 1970 for women.)

The special payments are not made for any month for which the person receives payments under a Federally-aided public assistance program. The special payments are reduced by the amount of any other governmental pension, retirement benefit, or annuity.

Payments to people who have credit for less than $\frac{3}{4}$ of a year of work covered by social security are made from general revenues, not from social security trust funds.

DISABILITY PAYMENTS

If you become disabled before 65, you and certain members of your family may be eligible for benefits.

Do not wait too long after you are disabled to apply for benefits; if you wait more than a year, you may lose benefits. Payments may begin with the 7th full month of disability.

If you are found eligible for disability insurance benefits, you will remain eligible as long as you are disabled. When you reach 65, your benefit will be changed to retirement payments at the same rate.

Who Is Considered Disabled?

A person is considered disabled only if he has a severe physical or mental condition which—

- Prevents him from working, and
- Is expected to last (or has lasted) for at least 12 months or is expected to result in death.

A person with a severe medical condition could be eligible even if he manages to do a little work.

How Much Work Credit Is Required For A Disabled Worker?

If you become disabled before you are 24, you need credit for 1½ years of work in the 3 years before you become disabled.

If you become disabled between 24 and 31, you need social security credits for half the time after you are 21 and before you become disabled.

To get disability benefits if you become disabled at 31 or later, you must be fully insured and have credit for 5 years of work in the 10 years just before you become disabled.

The Amount of Your Disability Benefit

The amount of your monthly disability payment is generally the same as the retirement benefit you would get if you were 65. Figure your average earnings as if you reached 65 (62 for a woman) at the time you become disabled. If you are a disabled widow, surviving divorced wife, or dependent widower, the amount of your benefit is figured from what your spouse would have received. (See page 12.)

Vocational Rehabilitation

Everyone who applies for social security disability benefits is referred for possible services to his State rehabilitation agency. These services help many people to return to productive employment. Social security often

helps pay the cost of services provided to applicants by rehabilitation agencies.

For more information about the disability benefits for blind people and disabled widows, disabled surviving divorced wives, and disabled dependent widowers, get in touch with your social security office.

FAMILY PAYMENTS

Monthly payments can be made to certain dependents:

- When the worker gets retirement or disability benefits;
- When the worker dies.

These dependents are—

- Unmarried children under 18, or between 18 and 22 if they are full-time students;

- Unmarried children 18 or over who were severely disabled before they reached 18 and who continue to be disabled;
- A wife or widow, regardless of her age, if she is caring for a child under 18 or disabled and the child gets payments based on the worker's record;
- A wife 62 or widow 60 or older, even if there are no children entitled to payments;
- A widow 50 or older (or dependent widower 50 or older) who becomes disabled not later than 7 years after the death of the worker or, in the case of a widow, not later than 7 years after the end of her entitlement to benefits as a widow with a child in her care;

- A dependent husband or widower 62 or over;
- Dependent parents 62 or over after a worker dies.

In addition to monthly benefits, a lump-sum payment may be made after the worker's death.

Under the law in effect before February 1968, there were circumstances in which benefits could be paid to children of a woman worker only if she had worked 1½ out of the last 3 years before she retired, became disabled, or died, or if she had actually provided most of the child's support. This provision, which prevented payment of benefits in some cases, has been removed. Now children are considered dependent on both their mothers and their fathers, and they

may become eligible for benefits when either parent becomes entitled to retirement or disability benefits or dies.

Payments may also be made under certain conditions to a divorced wife at 62 or a surviving divorced wife at 60 (or a disabled surviving divorced wife 50 or older). To qualify for benefits, a divorced wife must have been married to the worker for 20 years and also meet certain support requirements. Benefits also can be paid a dependent surviving divorced wife at any age if she is caring for her deceased former husband's child under 18 or disabled who is entitled to benefits. For more information about this provision, get in touch with your social security office.

Monthly payments to the wife or

dependent husband of a person entitled to retirement or disability payments generally cannot be made until the marriage has been in effect at least 1 year unless the couple are parents of a child. Payments can be made to the widow, stepchild, or dependent widower of a deceased worker if the marriage lasted 9 months or longer; or in the case of death in line of duty in the uniformed services, and in the case of accidental death if the marriage lasted for 3 months, under special circumstances.

Amount of Your Family's Benefits

Cash benefits to your dependents, and to your survivors in case of your death, are figured from the amount of your retirement or disability benefit.

Permanently reduced benefits are received by:

- Workers and their wives who choose to start receiving retirement benefits while they are between 62 and 65;
- Widows who choose to start receiving benefits between 60 and 62; and
- Disabled widows and disabled dependent widowers 50 or older who receive benefits before they reach 62.

The amount of the reduction depends on the number of months they receive benefits before they reach 65 (62 for widows and disabled dependent widowers). On the average, people who choose to get benefits early will collect about the same value

TYPES OF CASH BENEFITS

This table shows the principal types of payments and the insured status needed for each.

Retirement

Monthly payment to—

If you are—

* You as a retired worker and your wife and child --- Fully insured.

Your dependent husband 62 or over ----- Fully insured.

Survivors

Monthly payments to your—

If at death you are—

* Widow 60 or over or disabled widow 50-59 ----- Fully insured.

* Widow (regardless of age) if caring for your child
who is under 18 or disabled and is entitled to
benefits ----- Either fully or currently insured.

Dependent child ----- Either fully or currently insured.

Dependent widower 62 or over
and disabled dependent widower 50-61 ----- Fully insured.

Dependent parent at 62 ----- Fully insured.

Lump-sum death payment ----- Either fully or currently insured.

Disability

Monthly payments to—

If you are—

You and your dependents if you are disabled ----- Fully insured and if you meet
work requirements explained on
page 14.

* Under certain conditions, payments can also be made to your divorced wife or surviving divorced wife.

in total benefits over the years, but in smaller installments to take account of the longer period during which they will be paid.

If a person could be entitled to monthly benefits based on the social security records of two or more workers, he will receive no more than the largest of the benefits.

The lump-sum payment at a worker's death is ordinarily three times the amount of his monthly retirement benefit at 65, or \$255, whichever is less.

Benefits Not Taxable

Social security benefits you receive are not subject to Federal income tax.

AN APPLICATION IS NECESSARY

Before payments can start, an application must be filed.

When you are nearing 65 or if you become disabled, get in touch with your social security office.

It is important for you to inquire at your social security office 2 or 3 months before you reach 65, not only for the possibility of retirement benefits, but also for Medicare benefits, which are available whether or not you retire. If you wait until the month you reach 65 to apply for the medical insurance part of Medicare, you will lose at least one month of protection. It is always to your advantage to apply before you reach 65, even if you do not plan to retire. If you have high earnings which would increase the amount of your benefit in the year you are 65 or later, your benefit amount will be refigured. You will

always be sure of receiving benefits at the highest possible rate.

When a person who has worked under the social security law dies, some member of his family should get in touch with the social security office.

If you cannot come to the social security office—perhaps because you are housebound or hospitalized—write or telephone. A social security representative can arrange to visit you.

Long delay in filing an application can cause loss of some benefits, since back payments for monthly cash benefits can be made for no more than 12 months.

An application for a lump-sum death payment must usually be made within 2 years of the worker's death.

Proofs Needed

When you apply for social security benefits, take your own social security card or a record of your number; and if your claim is based on the earnings of another person, his card or a record of the number.

You will need proof of your age. If you have a birth certificate or a baptismal certificate made at or shortly after your birth, take it with you when you apply. If you are applying for wife's or widow's benefits, take your marriage certificate; if your children are eligible, their birth certificates.

Take your Form W-2, Wage and Tax Statement, for the previous year; if you are self-employed, a copy of your last Federal income tax return.

Proof that the applicant was being supported by the insured person is required before benefits can be paid to a parent after the death of a working son or daughter, or to a husband or widower whose working wife has retired, become disabled, or died. Generally, this proof must be furnished within 2 years after the worker dies, or, in the case of husband's benefits, within 2 years after his wife applies for cash benefits.

Do not delay applying because you do not have all of these proofs. When you apply, the people in your social security office can tell you about other proofs that may be used.

If you apply for retirement or survivor payments and supply all of the necessary information and then 4 to

6 weeks go by after the time you thought your benefits should start and you do not hear about your claim, get in touch with your social security office. There are special procedures for speeding payments in these cases and your social security office will be glad to do everything possible to prevent delays in your payments.

Information Is Confidential

Under the law and regulations, social security records are confidential. Information from your record may not be disclosed without proper authorization.

IF YOU WORK AFTER PAYMENTS START

When you apply for retirement or survivors insurance benefits, your

social security office will explain how any future earnings you may have will affect your payments and when and how to report your later earnings to the Social Security Administration. The explanation that follows is intended to give a general idea of the conditions under which benefits are paid to people who are still working.

For taxable years ending after 1967, the following rules apply:

If you earn \$1,680 or less in a year, you get all the benefits.

If you earn more than \$1,680 in a year while you are under 72, the general rule is that \$1 in benefits to you (and your family) will be withheld for each \$2 you earn from \$1,680 to \$2,880. In addition, \$1 in benefits

will be withheld for each \$1 of earnings over \$2,880.

Exception to the general rule: Regardless of total earnings in a year, benefits are payable for any month in which you neither earn wages of more than \$140 nor perform substantial services in self-employment.

The decision as to whether you are performing substantial services in self-employment depends on the time you devote to your business, the kind of services you perform, how your services compare with those you performed in past years, and other circumstances of your particular case.

Benefits are also payable for all months in which you are 72 or older, regardless of the amount of your earnings in months after you reach 72.

Your earnings as a retired worker may affect your own and your dependents' right to benefits. If you get payments as a dependent or survivor, your earnings will affect only your benefit and not those of other members of the family.

Earnings which must be counted—

Earnings from work of any kind must be counted, whether or not the work is covered by social security. (There is one exception: tips amounting to less than \$20 a month with any one employer are not counted.) Total wages (not just take-home pay) and all net earnings from self-employment must be added together in figuring your earnings for the year. However, income from savings, investments, pen-

sions, insurance, or royalties you receive after 65 because of copyrights or patents you obtained before 65, does not affect your benefits and should not be counted in your earnings for this purpose.

In the year in which your benefits start and the year your benefits end, your earnings for the entire year are counted in determining the amount of benefits that can be paid.

Earnings after you reach 72 will not cause any deductions from your benefits for months in which you are 72 or over. However, earnings for the entire year in which you reach 72 count in figuring what benefits are due you for months before you are 72.

For more information about how working after you apply for benefits

will affect your retirement or survivors payments, inquire at your social security office.

Beneficiaries Outside the United States

Special rules affect the payment of benefits to people outside the United States. If you intend to go outside the United States for 30 days or more while you are receiving benefits, ask your social security office for Leaflet No. SSA-609.

If you are not a citizen or national of the United States, your absence from this country may affect your right to benefits. The people in your social security office will be glad to explain these provisions to you.

REASONS WHY PAYMENTS STOP

When monthly payments are started, they continue until they must be stopped for one of the reasons given below. If any of these occurs, it must always be promptly reported to the Social Security Administration.

Marriage—Benefits for a child, an aged dependent parent, a disabled dependent widower, a divorced wife, a disabled widow, or widow receiving mother's benefits generally stop when the beneficiary marries a person who is not also getting social security dependent's or survivor's benefits.

There is an exception for the widow who remarries after reaching age 60. If she could have qualified for benefits on her deceased husband's record, she

may still get benefits on that record. She would qualify for $\frac{1}{2}$ of her deceased husband's retirement benefit, or (at 62) for the amount of the wife's benefit on her later husband's record, whichever is larger. A similar provision applies to widowers who remarry after 62.

Divorce—Payments to a wife or a dependent husband generally end if a divorce is granted. However, if a wife 62 or older and her husband are divorced, benefits to the wife may continue if the marriage lasted at least 20 continuous years before the divorce. (If a wife under 65 and her husband are divorced after 20 continuous years of marriage, she may receive benefits at 62 or later provided certain conditions are met. For more infor-

mation, get in touch with any social security office.)

No child "in her care"—Payment to a wife under 62 or to a widow or surviving divorced wife under 60 will generally stop when she no longer has in her care a child under 18 or disabled. A widow or surviving divorced wife who is 50 or over and is severely disabled should get in touch with her social security office for information about any benefits that may be payable.

Child reaches 18—When a child reaches age 18, his payments stop unless he is—

- Disabled (if so, he and his mother may be eligible for benefits for as long as he is disabled), or

- A full-time, unmarried student (if so, he may be eligible for benefits until he reaches 22).

Adoption—When a child is adopted, his payments end unless he is adopted by his stepparent, grandparent, aunt, uncle, brother, or sister after the death of the person on whose record he is receiving benefits.

Death—When any person receiving monthly benefits dies, his or her payments end.

Disability benefits—When the benefits payable to a person stop because he is no longer disabled, the benefits payable to his dependents also stop.

If payments end because of any of these reasons, the last check due is the one for the month before the event.

Health Insurance for People 65 and Over

Nearly all people 65 and over are eligible for health insurance protection under Medicare, including some people who do not have enough credit for work covered by social security to qualify for monthly cash benefits.

There are two parts to Medicare: hospital insurance, and for those who choose, medical insurance.

Eligibility for Hospital Insurance

If you are 65 or over and are entitled to social security or railroad retirement benefits, you are automatically eligible for hospital insurance; if you are not entitled to either of these benefits, you should ask about hospital

insurance and medical insurance at your social security office.

Nearly everyone who reached 65 before 1968 is eligible for hospital insurance, including people not eligible for cash social security benefits.

If you reached 65 in 1968 or later and are not eligible for cash benefits, you will need some work credit to qualify for hospital insurance benefits. The amount of credit required depends on the year of your 65th birthday. Eventually the amount of work required for hospital insurance will be the same as for social security cash benefits.

After you establish your eligibility, you receive a health insurance card,

which shows that you have hospital insurance, medical insurance, or both.

YOUR HOSPITAL INSURANCE

Your hospital insurance will pay the cost of covered services for the following care:

- Up to 90 days of inpatient care in any participating hospital in each benefit period.¹ For the first 60 days, it pays for all covered services except for the first \$72 (\$68 before January 1, 1973). For the 61st through the 90th day, it pays for all covered serv-

¹ A "benefit period" begins the first time you enter a hospital after your hospital insurance starts. It ends after you have not been an inpatient for 60 days in a row in any hospital or in any facility that mainly provides skilled nursing care.

ice except for \$18 a day (\$17 before January 1, 1973). For care in a psychiatric hospital, there is a lifetime limit of 190 hospital benefit days.

- A "lifetime reserve" of 60 additional hospital days. You can use these extra days if you ever need more than 90 days of hospital care in any benefit period. Each lifetime reserve day you use permanently reduces the total number of reserve days you have left. For each of these additional days, hospital insurance pays for all covered services except for \$36 a day (\$34 before January 1, 1973).
- Up to 100 days of care in each benefit period in a participating

extended care facility, a specially qualified facility which is staffed and equipped to furnish skilled nursing care and many related health services. Hospital insurance pays for all covered services for the first 20 days and all but \$9 daily (\$8.50 before January 1, 1973) for up to 80 more days, *but only if*:

- You are admitted because you need additional care for a condition treated while you were in a hospital;
- You need continuing skilled nursing care, not just help with such things as bathing, eating, dressing, walking, and taking medicine at the right time;
- You are admitted within 14

days after your discharge from a hospital where you were an inpatient for at least 3 days in a row;

- You are in an extended care facility which is approved for Medicare payments.
- Up to 100 home health “visits” by nurses, physical therapists, speech therapists, or other health workers, *but only if*:
 - Your condition is such that you need skilled nursing care on an intermittent basis or physical or speech therapy;
 - The services are ordered by a doctor and are furnished by a home health agency which takes part in Medicare;

- A plan for your care is established by a doctor within 14 days of your discharge from the hospital or extended care facility;
- Your care is for further treatment of a condition for which you were treated in the hospital or extended care facility;
- The visits are made within 12 months after a qualifying stay of at least 3 consecutive days in a hospital or after your discharge from an extended care facility.

If you sign up for medical insurance, you will also be eligible for the other home health visits described on page 32.

ENROLLING FOR MEDICAL INSURANCE

The medical insurance part of Medicare is voluntary and no one is covered automatically.

You will receive this protection only if you sign up for it within a specified period.

You will have protection at the earliest possible time if you enroll during the 3-month period just before the month you reach 65. You may also enroll the month you reach 65 and during the 3 following months, but your protection will not start until 1 to 3 months after you enroll.

If you do not enroll during your first enrollment period, you will have another opportunity during the first 3

months of each year, provided this period begins within 3 years after you had your first chance to enroll. However, if you wait to enroll, you may have to pay a higher premium for the same protection; and your coverage will not begin until 3 to 6 months after you enroll.

Medical insurance is financed with monthly premiums paid by people 65 and over who have signed up for this insurance. The Government matches these premiums dollar for dollar. The basic medical insurance premium is \$5.80 per month. It will remain at that rate at least through June 1973.

Once you enroll for medical insurance, you do not have to do anything to keep your protection. It continues from year to year without any action.

If you wish to drop your medical insurance, you may give notice to do so at any time. Your medical insurance protection will stop at the end of the calendar quarter following the quarter you give notice.

YOUR MEDICAL INSURANCE

Generally, your medical insurance will pay 80 percent of the reasonable charges for the following services after the first \$50 in each calendar year:

- Physicians' and surgeons' services, no matter where you receive the services—in the doctor's office, in a clinic, in a hospital, or at home.

(You do not have to meet the \$50 deductible before your medical insurance will pay physician

charges for X-ray or clinical laboratory services when you are a bed patient in a hospital. The full reasonable charge will be paid, instead of 80 percent.)

- Home health services ordered by your doctor even if you have not been in a hospital—up to 100 visits during a calendar year.
- A number of other medical and health services, such as diagnostic tests, surgical dressings and splints, and rental or purchase of durable medical equipment.
- Outpatient physical therapy services—whether or not you are homebound — furnished under supervision of participating hos-

pitals, extended care facilities, home health agencies and approved clinics, rehabilitation agencies, or public health agencies.

- All outpatient services of participating hospitals, including diagnostic tests or treatment.
- Certain services by podiatrists (but not routine foot care or treatment of flat feet or partial dislocations of the feet).

For More Medicare Information

For more information about Medicare, ask your social security office for a copy of *A Brief Explanation of Medicare*.

Financing the Programs

Federal, retirement, survivors, and disability benefits, and hospital insurance benefits are paid for by contributions based on earnings covered under social security.

If you are employed, you and your employer share the responsibility of paying contributions. If you are self-employed, you pay contributions for retirement, survivors, and disability insurance at a slightly lower rate than the combined rate for an employee and his employer. However, the hospital insurance contribution rate is the same for the employer, the employee, and the self-employed person.

As long as you have earnings that are covered by the law, you continue

to pay contributions regardless of your age and even if you are receiving social security benefits.

How Contributions Are Paid

If you are employed, your contribution is deducted from your wages each payday. Your employer sends it, with an equal amount as his own share of the contribution, to the Internal Revenue Service.

If you are self-employed and your net earnings are \$400 or more in a year, you must report your earnings and pay your self-employment contribution each year when you file your individual income tax return. This is true even if you owe no income tax.

Your wages and self-employment income are entered on your individual record by the Social Security Administration. This record of your earnings will be used to determine your eligibility for benefits and the amount of cash benefits you will receive.

The maximum amount of earnings that can count for social security and on which you pay social security contributions is shown in the following table:

<i>Year</i>	<i>Amount</i>
1937-50	\$3,000
1951-54	3,600
1955-58	4,200
1959-65	4,800
1966-67	6,600
1968-71	7,800
1972	9,000
1973	10,800
1974	12,000

Earnings over the maximums may have been reported to your social security record and may appear on your earnings statement, but cannot be used to figure your benefit rate.

When you work for more than one employer in a year and pay social security contributions on wages over the maximum amount that can count for social security, you may claim a refund of the excess contributions on your income tax return for that year. If you work for only one employer and he deducts too much in contributions, you should apply to the employer for a refund.

A refund is made only when more than the required amount of contributions has been paid.

Questions about contributions or refunds should be directed to the Internal Revenue Service.

This table shows the schedule of contribution rates now in the law:

CONTRIBUTION RATE SCHEDULE FOR EMPLOYEES AND EMPLOYERS (EACH)

Percent of Covered Earnings			
Years	For Retirement, Survivors, and Disability Insurance	For Hospital Insurance	TOTAL
1971-72	4.6	.6	5.2
1973-77	4.6	.9	5.5
1978-85	4.5	1.0	5.5
1986-92	4.5	1.1	5.6
1993-97	4.5	1.2	5.7

CONTRIBUTION RATE SCHEDULE FOR SELF-EMPLOYED PEOPLE

Percent of Covered Earnings			
Years	For Retirement, Survivors, and Disability Insurance	For Hospital Insurance	TOTAL
1971-72	6.9	.6	7.5
1973-77	6.9	.9	7.8
1978-85	6.7	1.0	7.7
1986-92	6.7	1.1	7.8
1993-97	6.7	1.2	7.9

THE TRUST FUNDS

Social security contributions for retirement, survivors, and disability insurance go into the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance

Trust Fund. They are used to pay the benefits and administrative expenses of these programs and may be used for no other purpose.

There are two other trust funds—a Federal Hospital Insurance Trust Fund, into which hospital insurance contributions are placed, and out of which hospital insurance benefits and administrative expenses are paid; and a Federal Supplementary Medical Insurance Trust Fund, into which the enrollees' premiums, along with the Government's matching contributions, are placed, and out of which the benefits and administrative costs of the medical insurance program are paid.

Funds not required for current benefit payments and expenses are invested

in interest-bearing U.S. Government securities.

Certain costs, however, are financed from general funds of the U.S. Treasury, including the cost of hospital insurance benefits for people who are uninsured for cash social security benefits; the Government's share of the cost for supplementary medical insurance; and cash payments for certain uninsured people 72 and over.

KINDS OF WORK COVERED

Almost every kind of employment and self-employment is covered by social security. Some occupations, however, are covered only if certain conditions are met.

Farming

You receive social security credit as

a farm operator or rancher if your net earnings from self-employment are \$400 or more in a year. You must report your net earnings from self-employment as a part of your income tax return.

If your gross earnings from farming in a year are between \$600 and \$2,400, you may report two-thirds of your gross earnings, instead of your net earnings, for social security purposes. If your gross earnings from farming are more than \$2,400 and your net earnings are less than \$1,600, you may report \$1,600 for social security purposes.

If you rent your farm land to someone else, you receive social security credits for your rental income if you "materially participate" in the actual

production of the farm commodities or the management of production.

Ministers and Members of Religious Orders

Before 1968 income from the ministry received by a clergyman (ordained, commissioned, or licensed ministers, Christian Science practitioners, and members of religious orders who have not taken a vow of poverty) was not covered by social security unless the clergyman signed a form stating that he wanted it to be covered.

For taxable years ending after December 1967, earnings from services as a clergyman will automatically be covered unless the clergyman files an ap-

plication to have it excluded, stating that he is conscientiously opposed, or opposed by reason of religious principles, to receiving social security benefits based on services as a clergyman.

A clergyman who qualifies to be excluded from coverage may complete Form 4361 and file it with the Internal Revenue Service. This form may be secured at any social security office or at any Internal Revenue Service office. Once this form is filed it cannot be withdrawn.

Clergymen who elected coverage for any year before 1968 will not be affected by the new provisions. They will continue to be covered.

A clergyman reports his income and makes his tax contributions as if he

were self-employed, even though he may be working as an employee.

Members of religious orders who have taken a vow of poverty are not covered by social security.

You can get more information about social security coverage for clergymen at your social security office.

Family Employment

Work done by a parent as an employee of his son or daughter in the course of the son's or daughter's trade or business is covered by the law. Domestic work in the household of a son or daughter is not covered unless special conditions are met.

Work for a parent by a daughter or

son (also a stepchild, adopted, or foster child) under 21 is not covered.

Also not covered is any work performed by a wife for her husband or by a husband for his wife.

Household Workers

A domestic worker's cash wages (including transportation expenses if paid in cash) for work in a private household are covered by the law if they amount to \$50 or more from one employer in a calendar quarter.

If you employ a household worker who will come under the law and you are not receiving the forms for making the earnings reports, ask your social security office or your Internal Revenue Service office for a copy of *Social Security and Your Household Em-*

ployee. This leaflet explains how to get the forms and make the reports.

Employees Who Receive Tips

Cash tips amounting to \$20 or more in a month with one employer are covered by social security.

You must give your employer a written report of the amount of your tips within 10 days after the month in which you receive them. Your employer will collect your contributions due on these tips from other wages he owes you or from funds you turn over to him for that purpose. Otherwise, your contribution must be paid by you to the Internal Revenue Service.

If your report is late or incomplete, you will be liable for your social security contribution on tips not re-

ported, and you may also be subject to a penalty in an amount equal to $\frac{1}{2}$ of that contribution.

Your employer includes your tips reported to him along with your other wages in his social security wage reports and on Form W-2, but he does not have to match your social security contribution on the tips.

If you receive tips, you can get further information at your social security office.

Employees of Non-profit Organizations

Employees of non-profit organizations operated exclusively for religious, charitable, scientific, literary, educational, or humane purposes, or for testing for public safety, may be covered by the social security law if—

- The organization waives its exemption from the payment of social security contributions by filing a certificate (Form SS-15) with the Internal Revenue Service, and
- Those employees who wish to be covered indicate their desire to participate by signing the Form SS-15a that goes with the certificate.

Employees who sign the form and employees who are hired or rehired after the calendar quarter in which the waiver certificate is filed are covered. If any employee of a non-profit organization earns wages of less than \$50 in a quarter, his wages for that quarter are not covered.

Employees of State and Local Governments

State and local government em-

ployees may be covered by social security under voluntary agreements between the individual State and the Federal Government.

Farm Employees

When you work for a farmer, a ranch operator, or a farm labor crew leader, you earn social security credits:

- If the employer pays you \$150 or more in cash during the year for farm work, or
- If you do farm work for the employer on 20 or more days during a year for cash wages figured on a time basis (rather than on a piece-rate basis).

To find out the conditions under which the farmer or crew leader is the employer, ask your social security of-

fice for a copy of *Social Security Information for Crew Leaders and Farmers*.

Household workers employed on a farm or ranch operated for profit are covered under the same rules as other farm employees.

Federal Employment

Most employees of the Federal Government not covered by their own staff retirement system are covered by social security.

Military Service

Active duty or active duty for training you perform as a member of the uniformed services of the United States after 1956 counts toward social security protection for you and your family. From 1957 through 1967 your

basic pay was credited to your social security record.

For active duty after 1967, your credits for each month of active duty will generally amount to your basic pay plus \$100. No additional deductions will be made from your pay for the extra \$100 credits. You cannot, however, get social security credit for more than \$9,000 in 1972, \$10,800 in 1973, and \$12,000 in 1974, including the extra credits.

For Active Duty After September 15, 1940, and Before 1957—

Social security credits of \$160 a month are given to most veterans who served during this period. When credits are given, they count the same as wages in civilian employment. These

credits are not actually listed on your record, but if they would affect your benefit, the people in the social security office will ask for proof of your military service when an application is filed on your record.

Railroad Employment

Earnings from railroad work are reported to the Railroad Retirement Board and not to the Social Security Administration. Your social security record will not include any work you may have done for a railroad.

Benefits based on work for a railroad are ordinarily paid by the Railroad Retirement Board. However, if you have less than 120 months (10 years) of railroad service when you retire or become disabled, your earnings

for railroad work after 1936 are considered in figuring your disability or retirement payments under the social security law.

A retired worker who has at least 120 months of railroad service and who has also done enough work under social security to qualify for social security benefits may receive retirement benefits under both railroad retirement and social security.

Survivors of a worker can be entitled under one system only, either railroad retirement or social security, even though the worker may have been entitled during his lifetime under both. Regardless of which program will pay the benefits, records of the deceased worker's railroad earnings after 1936 and his earnings under social security

will be combined to determine payments to survivors.

Railroad workers or their survivors can get further information from any social security or railroad retirement office, or they may write to the Railroad Retirement Board, 844 Rush Street, Chicago, Illinois 60611.

American Citizens Working Abroad

U.S. citizens employed by American employers in foreign countries or aboard vessels or aircraft of foreign registry are covered by social security. Seamen and airmen employed on American vessels or aircraft are usually covered regardless of citizenship.

U.S. citizens working abroad for a foreign subsidiary of an American corporation may be covered if the

parent firm makes an agreement with the Secretary of the Treasury to see that social security contributions are paid for all U.S. citizens employed abroad by the foreign subsidiary.

Foreign Agricultural Workers

Agricultural work performed by foreign workers admitted to the United States on a temporary basis to do agricultural work is not covered.

Foreign Exchange Visitors

Work performed by foreign nationals temporarily in the United States to study, teach, conduct research, etc. under a foreign exchange program is not covered under social security if it is performed to carry out the purpose for which they were admitted to the country.

SOCIAL SECURITY CARDS

You must have a social security number if your work is covered by the social security law or if you receive certain kinds of taxable income. Your social security number is also used for income tax purposes. Show your card to each of your employers when you start to work. Upon request, show it to anyone who pays you income that must be reported.

You can get a social security card at any social security office. The number on your card is used to keep a record of your earnings and of any benefits to which you and your dependents become entitled.

You need only one social security number during your lifetime. Notify

your social security office if you ever get more than one number.

If you change your name, or if you lose your social security card, go to a social security office to get a card showing your new name or a duplicate of the card you lost.

YOUR EARNINGS RECORD

Each employer is required to give you receipts for the social security contributions he deducts from your pay. He does this at the end of each year and also when you stop working for him. These receipts, such as Form W-2, will help you check on your social security record. They show the amount of your wages that counts for social security. For most kinds of work, your wages paid in forms other

than cash—for instance, the value of meals or living quarters—must be included. For domestic work in a private household or for farm work, only cash wages count.

You should keep a record of the amount of self-employment income you have reported.

RIGHT OF APPEAL

If you feel that a decision made on your claim is not correct, you may ask the Social Security Administration to reconsider it. If, after this reconsideration, you are not satisfied the decision is correct, you may ask for a hearing by a hearing examiner of the Bureau of Hearings and Appeals. And, if you are not satisfied that the decision of the hearing examiner is correct, you may

request a review by the Appeals Council. The Social Security Administration makes no charge for any of these appeals. You may, however, choose to be represented by a person of your own choice, and he may charge you a fee. The amount of such a fee is limited and must be approved by the Social Security Administration.

Someone in your social security office will explain how you may appeal and will help you get your claim reconsidered, or request a hearing.

If you are still not satisfied, you may take your case to the Federal courts.

SOCIAL SECURITY OFFICES

The Social Security Administration

has about 900 offices conveniently located throughout the country. These offices have representatives who regularly visit neighboring communities.

If any of your questions about monthly social security benefits or Medicare are not answered in this booklet, call, write, or visit your social security office. The people who work there will be glad to answer questions and to explain your rights. They will also assist groups and organizations in informing their members about social security through talks, films, and other planned activities.

For the address of your social security office, look in the telephone directory under Social Security Administration, or ask at the post office.



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